



**CORPORATE
SOCIAL
RESPONSIBILITY
REPORT 2016**



And Gender distribution in Management

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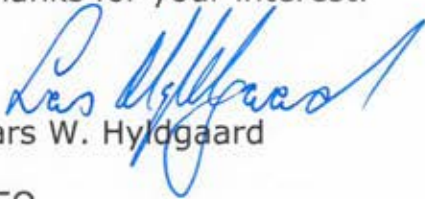
Introduction by the CEO

Danapak Flexibles A/S has for many years worked systematically with Corporate Social Responsibility. In years before 2014 we were part of the CSR reporting of the Arla Group being a subsidiary of (Ultimately) Arla Foods AmbA.

This Corporate Social Responsibility report will be the third report prepared for Danapak Flexibles A/S. This report is to be seen as an integrated part of Management's review in the Annual report 2016 according to act no 99a in the Danish Financial Statements Act.

We continuously strive to reduce the impact of our business to the environment, to reduce and manage waste and pollution to the air, energy consumption, working accidents and absence due to illness.

Thanks for your interest.



Lars W. Hyldgaard

CEO

Presentation of Danapak Flexibles A/S

The activities of Danapak are development, production and marketing of flexible packaging products primarily for the pharmaceutical, dairy, tobacco, and food industries.

Danapak is producing and selling packaging materials in plastics, aluminum foil, paper and various laminates with or without printed decoration. Printing inks and lacquers can be solvent based or solvent free. Production of such packaging materials demands besides raw materials and energy also adhesives and inks.

Danapak is located in the city of Slagelse in Denmark. Danapak meet the highest hygienic standards and is certified according to ISO9001, ISO22000 and Global Standard for Packaging and Packaging material (BRC/IOP).

During 2016 Danapak applied for and was granted a certificate according to the ISO 50001 standard. Danapak has signed an agreement with the Danish Ministry of Energy, Utilities and Climate with commitment to make energy saving initiatives and/or energy saving investments.

The Danish Authorities has announced a permit for the site in course of "*Miljøbeskyttelsesloven §41b, Lovbekendtgørelse nr. 1757 af 22. December 2006*"

CSR structure

The corporate social responsibility (CSR) of Danapak Flexibles A/S (Danapak) is based on our:

- Code of conduct
- Mission
- The values of Danapak

The contents of the individual areas are elaborated on in separate policies in Danapak's Code of Conduct.

We have a special focus on Human rights, Employment rights, Environment, climate and Anti-corruption.

Danapak systematically measures the external environment (energy consumption and waste) and the internal environment (working accidents and sick days, workplace conditions). The result of this year's follow ups/measures have been included in the schedule of results on page 13.

Human rights

Policy

On a continuous basis, Danapak will ensure that human rights are complied with including that no differential treatment takes place due to gender, race, skin color, religion or faith, political opinion, sexual orientation, age, disability, ethnic origin or nationality.

Measurement

The above mentioned is verbalized by Management to the employees once a year through information meetings.

Result

We can confirm that Management for this reporting year has had no knowledge of any cases of violation of human rights.

Anti-corruption

Policy

No person within Danapak may encourage or accept any kind of bribery, receive or give presents of a higher value in an attempt to influence business partners in order to achieve unlawful advantages.

Measurements

The abovementioned is verbalized by Management to the employees once a year through information meetings.

Result

We can confirm that Management for this reporting year has had no knowledge of any examples of corruption.

Gender Distribution in Management

Policy

Danapak aims to fill leader jobs on basis of competences and qualifications needed that will add value to Danapak on short term as well as on long term basis.

Danapak will direct its attention to talents of the underrepresented gender who have the desire and abilities to pursue a wish of a specialist or leader job. Danapak wants to create an environment where each employee – despite of gender – has equal possibilities for a leader job.

Danapak will always fill a vacancy or a Board of Directors membership with the person who has the best qualifications, but aims at a distribution of 40-60% among specialists/leaders as well as in the Board of Directors within the end of 2018.

Measurement

On a continuous basis, Danapak will measure the number of specialists/leaders distributed by gender as well as the gender distribution in the Board of Directors.

Individual staff development interviews are carried out every 24th month. Any staff – whether male or female – is equally encouraged to make plans for his/her career and to participate in continuing education.

Result

The Board of Directors consists of only 3 members elected by the general assembly, all of which are Male. The Board of Directors consists of the – at any time - CEO and CFO of the Schur flexibles group and the CEO of Danapak.

The distribution of gender among the salaried staff in 2016:

	Male	Female	Total	Male %	Female %
Management group	6	1	7	86	14
Leaders	9	4	13	69	31
Specialists	4	2	6	67	33
Other staff	21	16	37	57	43
Apprentices	2	2	4	50	50
Staff in total 2016	42	25	67	63	37
<i>Staff in total 2015</i>	<i>39</i>	<i>25</i>	<i>64</i>	<i>61</i>	<i>39</i>
<i>Staff in total 2014</i>	<i>39</i>	<i>26</i>	<i>65</i>	<i>60</i>	<i>40</i>

Danapak spend 0,3 million DKK on external education in 2016 (2015: 0,3 million DK). Expenses for internal training has not been calculated.

Child labor

Policy

Danapak wants to avoid any kind of child labor.

Any employee at Danapak must be of the age of 15 or older.

Measurements

The abovementioned is verbalized by Management to the leaders and the HR department is focused on this.

Result

We can confirm that no employee is under the age of 15.

External environment, climate, energy and Co2

Policy

Danapak is supporting the work for sustainable development and is also on the environmental area acting responsible for the benefit of the climate.

Danapak complies to all national and international environmental legislation and rules for the internal and external environment in the countries in which we operate.

Danapak strives to have a safe, healthy and good working environment which meets the high expectations of our employees and the local society.

Danapak strives to use the most rational processes having a minimum consumption of energy, raw materials and auxiliary materials within reasonable technical and economical frames.

Danapak is working targeted to minimize the use of products which have a negative impact on the environment, climate or on the employee's health. Where ever such products are unavoidable, we strive to handle them with absolute focus on safety and waste handling.

Danapak is striving to recycle waste. All waste from production is being sorted at the source and send to recycling where ever possible. Waste paper from the offices are also sorted and recycled.

During the production of Danapak's products solvents will be sucked out through the ventilation system and into an incinerator, where the solvents will be heated and burned. This process is controlled and almost no solvents are emitted to the air.

Danapak invested in a system to distillate solvents used for cleaning of cylinders and re-use the solvents.

Danapak always takes reduction of energy consumption and noise and safe working environment into consideration when investing in new equipment.

Car fleet

Danapak is leasing the car fleet through a leasing Company. A company car is renewed every fourth year or with a high mileage even sooner. This means there are no old cars in the fleet. Since the automakers become still better at developing environmental friendly cars, we find it best to renew the fleet in a four year schedule.

Measurements

During the development phase and in construction of new packaging materials and in optimizing existing products Danapak is working closely with its customers with the aim to reduce material consumption and secure safety and durability of our customers products through a high quality of the packaging material.

Energy consumption and waste are monitored on a continuous basis. In 2016 several electricity meters were installed on specific equipment in order to provide more detailed information on where the electricity consumption have a opportunity to be reduced. This will be followed closely during 2017 with the aim to reduce the overall consumption.

During 2016 the system to handle inks was upgraded and rebuild in order to reduce waste and optimize the use of solvents.

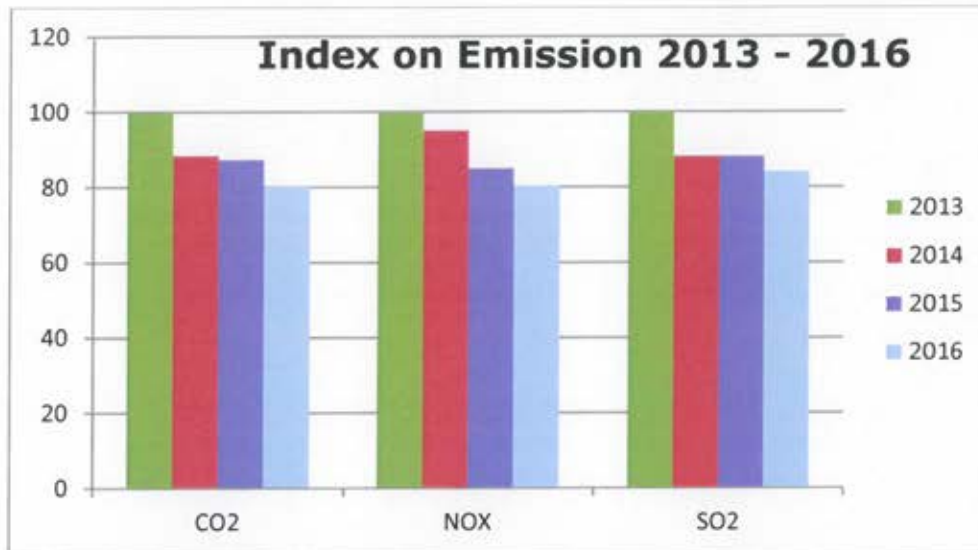
Results

The result of this year's follow ups/measures has been included in the schedule of results on page 13.

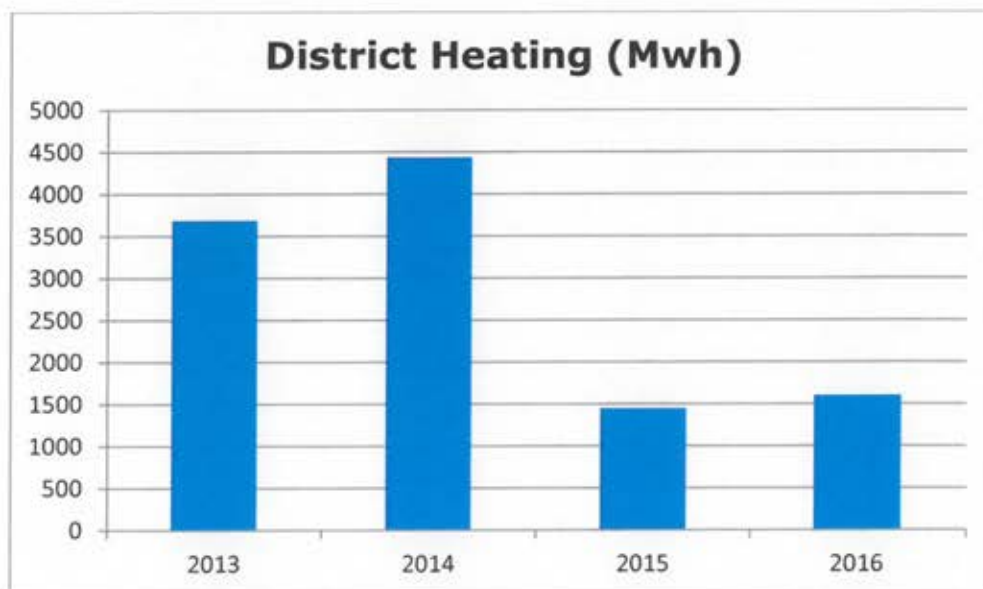
Danapak is rated as "Gold" ranking with the company Ecovadis for the efforts on environmental issues.

Compared to 2013, Danapak succeeded in reducing emission of CO₂ and NOX by 19,6% each and reducing emission of SO₂ by 15,9%.

Since 2013, where an investment to distillate solvents used for cleaning of cylinders and re-use the solvents and thereby reducing the total use of solvents and the CO₂ emission hereof was made, the total emission has been reduced significantly.



End of March 2015 production on the site in Horsens was moved to the site in Slagelse. As consequence of this the total use of district heating was reduced significantly.



Throughout the organization there is high attention to the sorting of waste. Waste is split in different fractions at the source and a majority of the waste (approx. 99,4%) is recovered.

Internal environment

Policy

Danapak aims to be a company with good working conditions for the employees, with high focus on the internal environment and the well-being of the employees.

Danapak aims to minimize the potential physical and mental impact from the working environment to the employees through systematically preventive work and by developing new and better ways of production methods.

Danapak has a constant attention to the "near-by" accidents and implement corrective actions to avoid actual accidents to happen.

Measurements

At Danapak we are working continuously with workplace assessments, employee interviews, fire protection and first aid training as well as education is an important factor in having a good working environment.

The well-being of our employees is important and the employees are invited to conversations regarding absenteeism with the aim to help the employee back to work and to avoid the job being the reason for the absenteeism.

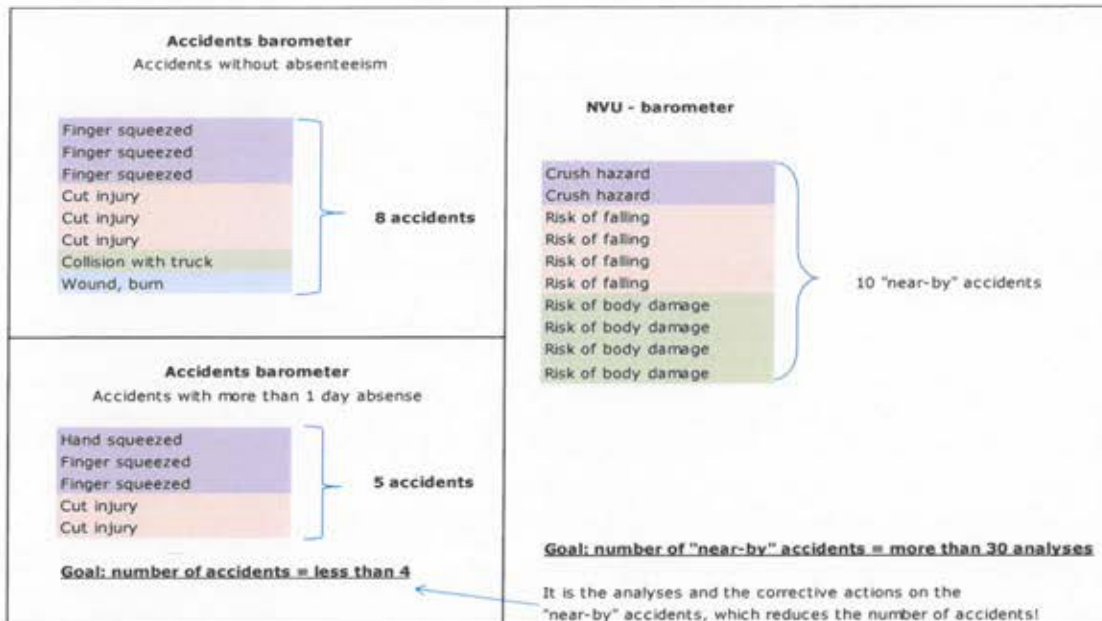
From beginning of 2016 Danapak has provided a healthcare insurance for the staff, where a treatment guarantee will help an employee to fast and competent treatment and a quick recovery.

Danapak encourages the employees to participate in sports or Fitness. Danapak supports the employees who participate in e.g. "DHL stafetten" an event where a group of employees are running 5 kilometers each. This event is very popular amongst the employees and every year more employees are participating. It is not just a sports event but also a social event that contributes to a good working environment.

Danapak monitors not only accidents but encourage the employees to report every "near-by" accident. Reports on each event are analyzed carefully and corrective actions are implemented when possible. It is the analyses and the corrective actions which reduces the number of accidents.

Results

Accidents and "near-by" accidents 2016 goals and status:



Contribution to society

Danapak is contributing to the society in various ways.

It has for many years been accepted that employees who are a blood donor may use working hours while donating blood.

Danapak is participating in a council "Det lokale Uddannelsesudvalg på det merkantile område" and Danapak is filling a place as board member of the regional Employers association.

Danapak has made commitment to the local "Jobcenter" and has signed a "Partnerskabsaftale". Thereby committing to make effort to help people who in various ways are having difficulties to maintain or getting a job or who are on the way back from longtime illness.

Danapak has entered into a 3 year project with "Danmarks Tekniske Universitet" (Technical University) on an Industrial Ph.D study on "Extrusion coating of self-cleaning nano-structures- XNano". The project is supported by Innovationsfonden.

Danapak supports the programme "InterForce". A cooperation between the National Danish Defence and private companies to support the work of the volunteers in the National Danish Defence.

Data overview

Emission 2016

	Use:	Unit	emission of CO2:	emission of NOX:	emission of SO2:	Unit
Combustion of solvents						
Total combustion of solvents (re-used for heating)	600.736	kg	1.195,1	1,7	-	ton/year
Direct emissions						
Naturalgas	658.369	m3	1.438,5	1,1	0,0	ton/year
Gasoline (transport):		liter				ton/year
Diesel (transport):	33.775	liter	89,5	1,0	-	ton/year
Indirect emissions						
Electricity	8.383	Mwh	4.057,4	3,7	1,3	ton/year
District heating	1.604	Mwh	195,7	0,6	0,2	ton/year
Heating from combustion of solvents	1.182	Mwh				
Total:			6.976,2	8,0	1,4	ton/year

2016	6.976,2	8,0	1,4
2015	7.574,3	8,5	1,5
2014	7.668,2	9,5	1,5
2013	8.673,8	10,0	1,7

Waste:

	Unit	2013	2014	2015	2016
Hazardous waste for recovery	Ton	122	126	141	161
Non hazardous waste for landfill	Ton	10	10	28	14
Non hazardous waste for recovery	Ton	2.135	2.004	1.566	2.003